



ANGUS S. KING, JR.
GOVERNOR

STATE OF MAINE
MAINE REVENUE SERVICES
(FORMERLY BUREAU OF TAXATION)
24 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0024

JANET E. WALDRON
COMMISSIONER
ADMINISTRATIVE & FINANCIAL SERVICES

BRIAN H. MAHANY
EXECUTIVE DIRECTOR

December 15, 1998

U.S. General Services Administration
1941 Jefferson Davis Highway
Arlington, VA 22202-4502

Attn: Rebecca A. Koses
Contracting Officer
Services Acquisition Center

Dear Ms. Koses:

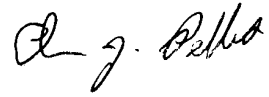
Thank you for your letter of December 10, 1998 regarding a new credit card program called GSA SmartPay.

Sales made directly to the federal government, the State of Maine or any political subdivision of the State of Maine, or to agencies of the above governments are exempt from tax. The only evidence of exemption which the retailer is required to retain to document exempt sales to the above entities is the invoice of the seller indicating sales to the exempt government or government agency. Sales to officials or employees of the above governments who will be reimbursed by the government entity are taxable as in any other case. It appears from the description included with your letter that all cards which are centrally billed and paid by the federal government would be exempt and all cards that are individually billed and reimbursed by the federal government would be taxable. I must admit, however, that retailers will find it difficult to determine the taxability of the Travel Cards and the Integrated Cards, since the only difference between centrally billed and individually billed cards is the sixth digit.

This letter constitutes an advisory opinion as contemplated by 5 M.R.S.A. § 9001 and is based on the facts presented. Different or additional information could change Maine Revenue Services opinion on the tax treatment of the matters discussed above.

Please feel free to contact me should you need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Elmer J. Pelletier". The signature is fluid and cursive, with the first name "Elmer" being more prominent.

Elmer J. Pelletier
Deputy Director
Sales/Excise Tax Division
Tel. (207) 287-2336

EJP/cam